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**To: Representative Michael Calton**  
**Chair, House Committee on Health Policy**  
**From: Suzanne White, CMO Detroit Medical Center**  
**Subject: Graduate Medical Education Funding**  
**Date: April 21, 2015**

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As you heard today, Michigan is known nationally for its excellent GME programs and we are very proud of this. We are the third largest state provider of graduate medical education.

The Michigan economy cannot improve without a skilled work force and GME is an excellent example of a wise investment of public dollars. This investment continues to move Michigan toward being a high-tech, high-wage state. Physician scientists are critical to bringing bench research to the bedside and to the commercialization of medical technology.

At the DMC, we have 1054 residents and fellows. We train equal that number of medical students. DMC educational programs support over 1000 teaching physicians. Our residents participate in our over 1200 clinical trials currently underway at the DMC.

Please understand that at DMC, we always value education over service with regard to our GME Programs. However, we had are having a frank, economic discussion today. Therefore, it is important for you to realize that residents offer the best value for providing critical patient care services; Michigan's teaching hospitals employ 4,650 medical residents who earn an average of \$48,000 annually while working 80 hour weeks to provide critical, around-the-clock healthcare. We estimate that replacing them with mid-level providers would cost 4-5 times more.

Residents provide the safety net of intensive hospital care for the majority of a growing Medicaid and indigent population. Specifically, one DMC/WSU Internal Medicine Resident Clinic serves approx 250 uninsured or under- insured patients per week (13,000 visits per year). Similarly, residents at our OB/GYN Resident Clinic provide prenatal care to 300 under-insured mothers each week. You can multiply these numbers across all of the medical specialties.

Our State's 50-year commitment to investing in GME has helped protect Michigan residents from a looming physician shortage. Residency training is the bottleneck in our State's physician pipeline. We can expand medical schools, as we are doing, but it is the number of residency positions that determines the actual number of doctors produced at the end of the day. By 2020, most experts are predicting a shortage of 4,500 physicians in Michigan. As you heard, we already have a shortage in certain specialties, a shortage that is magnified in underserved areas. Add to this our aging population

[www.dmc.org](http://www.dmc.org)

*Children's Hospital of Michigan • Detroit Receiving Hospital • Harper University Hospital • Huron Valley –Sinai Hospital • Hutzel Women's Hospital • DMC Heart Hospital • Kresge Eye Institute • DMC Surgery Hospital • Rehabilitation Institute of Michigan • Sinai-Grace Hospital • University Laboratories • In partnership with the Karmanos Cancer Center*

with its growing number of high- acuity, chronic diseases and this translates to higher health costs and lack of access to health care.

Cutting funding for GME will likely result in Michigan medical students leaving for residency training in other states. We know that most residents set up practice in the state where they complete their training. They will not be back. We do not want to invest State dollars into medical school education only to see students leave the state for their graduate training.

I want to say a few words about teaching hospitals. How do they differ from non-teaching hospitals?

- 24,000 annual admissions (compared to 2,200 at non-teaching hospitals)
- 50% of charity care
- 80 percent of all burn beds
- 75 percent of all neonatal intensive care unit beds (impact on infant mortality)
- The majority of all Level-1 Trauma Centers
- Provide care for more severely ill patients
- Carry out complex procedures
- Treat patients with rare conditions
- Provide vitally needed back-up services
- Offer advanced technology
- Encumber the cost of teaching and the loss of productivity that occurs while physicians teach

#### Economic Impact of the Cuts for Michigan

- Medical education in Michigan is a multi-billion dollar industry
- State GME funding directly pays for resident salaries and benefits, but as you can see, it indirectly allows us to have a valuable safety net for patients
- Robust GME programs allow us to recruit and retain the best teaching faculty and experienced physicians who would otherwise leave the State
- We are already seeing academic centers respond to Medicaid cuts and brace for major IME adjustments by decreasing their residency program size or even closing residency programs

My appeal is that you be thoughtful and strategic as you consider GME funding. The unintended consequences of cuts go beyond losing young physicians to other states; they include the loss of our most senior, qualified teaching physicians and the safety net for uninsured or underinsured patients.